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RUEHKO/AMEMBASSY TOKYO 0379  
RUEHCN/AMCONSUL CHENGDU 2909  
RUEHGZ/AMCONSUL GUANGZHOU 0018  
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RUEKJCS/SECDEF WASHINGTON DC  
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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001628

SIPDIS

E.O. 12958: DECL: 11/18/2023

TAGS: [PGOV](#) [PREL](#) [CH](#) [TW](#)

SUBJECT: KMT CHAIRMAN WU POH-HSIUNG ON DOMESTIC POLITICS  
AND CROSS-STRAIT RELATIONS

Classified By: AIT Director Stephen M. Young,  
Reasons: 1.4 (b/d)

11. (C) Summary: KMT Chairman Wu Poh-hsiung told the Director on November 17 that PRC ARATS Chairman Chen Yunlin had seemed satisfied with his visit to Taiwan, despite the protests. Wu was concerned that violence in some of the demonstrations would give the mainland a bad impression of Taiwan's democracy. He reported that Honorary Chairman Lien Chan will lead the Taiwan delegation to the KMT-CCP economic forum in Shanghai in mid-December. Wu stressed the KMT absolutely would not interfere in the legal cases of former President Chen or others, and he said the KMT was making an effort to prevent the partisan atmosphere from worsening. However, he added, leaders in both the KMT and DPP were under pressure from their respective hardliners to be tougher. The KMT will hold a special party congress on November 22, the first since returning to power in May. End Summary.

Chen Yunlin Visit  
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12. (C) In a meeting at KMT headquarters on November 17, the Director discussed cross-Straits relations and Taiwan domestic politics with KMT Chairman Wu Poh-hsiung, who was accompanied by former TECRO Representative Stephen Chen. Wu observed that PRC Association for Relations Across the Taiwan Strait (ARATS) Chairman Chen Yunlin had shown good will and seemed satisfied with his November 3-7 visit to Taiwan, despite the protest demonstrations. Although demonstrations were all right, Wu said, the violence was regrettable and would give people in the mainland a bad impression of the democratic example Taiwan has been promoting. Wu expressed appreciation for U.S. public expressions of support for progress in the cross-Straits dialogue.

KMT - CCP Dialogue  
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13. (C) Wu said the next round of the KMT-CCP economic forum will be held in Shanghai in mid-December. Honorary Chairman Lien Chan heads the KMT's National Policy Foundation, which is responsible for the forum, and he will lead a delegation of more than 100 persons. Wu contrasted the KMT-CCP discussions as more academic, while the talks between the Straits Exchange Foundation (SEF) and ARATS are technical in nature. (Note: In a separate meeting on November 19, KMT Deputy Secretary General Chang Jung-kung told us that the

forum in Shanghai is scheduled for December 13-14 and that the KMT expects PRC Politburo Standing Committee member Jia Qinglin, but not PRC President Hu Jintao, to attend. Chang noted that Beijing had hoped the KMT could include some DPP members in its delegation, but the KMT did not believe it could find DPP people willing to attend. Chang said the next round of SEF-ARATS talks may take place in March 2009 in China, and the KMT would like to hold the next session of the party-to-party forum in June 2009 (location TBD), before the campaigns for the December 2009 local elections get going in earnest.)

DPP - KMT Friction  
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14. (C) Noting the feelings of frustration on the DPP side following the Chen Yunlin visit and the recent detentions of President Chen and two DPP county magistrates, the Director suggested the KMT needed to avoid overusing its dominant political advantage in ways that could further anger the opposition. Wu agreed that the KMT needed to pay attention to this point, and he noted that he had asked KMT legislators to avoid provoking the DPP and to respect the minority in the Legislative Yuan (LY). For example, Wu said, he had requested the KMT caucus to go slow in action on the four SEF-ARATS agreements.

15. (C) Wu explained, however, that there are also those who believe the KMT has been too weak toward the DPP. Likewise, on the DPP side, supporters of Taiwan independence regard Chairperson Tsai Ing-wen as having been too weak toward the

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KMT. Although there have been suggestions about a possible KMT-DPP dialogue, Tsai Ing-wen is in a difficult position politically. Wu added with apparent irritation that Tsai sees President Ma, not himself, as her counterpart. (Note: Chang Jung-kung expressed concern to us that partisan political turmoil, including demonstrations and even violence, may increase because pro-DPP activists see every move by Ma Ying-jeou to improve cross-Strait relations as a negation of Taiwan independence. The unhappiness of DPP supporters with the prosecutors' pre-indictment detention and handcuffing of former President Chen and other DPP figures is further souring the political atmosphere.)

Chen Shui-bian  
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16. (C) Wu said he was not worried about former President Chen Shui-bian, under detention on corruption charges, barring a possible health problem resulting from his hunger strike. Most people do not believe Chen merits their sympathy, Wu explained, and in his view, Chen is a bigger problem for the DPP than for the KMT. Wu stressed that the KMT and the administration would absolutely not interfere with the law. The party would not be so dumb as to interfere in legal proceedings against Chen or other DPP politicians, Wu assured the Director. He suggested that one reason there are more DPP than KMT cases now is because the DPP was the ruling party for the past eight years.

Student Sit-in  
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17. (C) The students sitting at Freedom Square to protest alleged police violence and demand revisions to the law on demonstrations are being manipulated and stirred up by people behind the scene, Wu asserted. These people include former DPP Presidential candidate Frank Hsieh and some professors who are related to the DPP. While the students criticize police violence, they do not criticize violence by protesters. Nonetheless, the KMT administration is dealing with these students "very softly," even though they are interfering with the rights of those who normally do their daily exercises at the same location.

18. (C) Wu noted that the KMT will be holding a special party congress this Saturday, November 22, at the Sun Yat-sen Memorial. More than 1500 delegates will participate in the congress, which is being held because of the KMT's return to power in May. There will be speeches by President Ma and Wu and reports by Premier Liu Chao-shiuan and Legislative Yuan (LY) Speaker Wang Jin-pyng. The Central Standing Committee will be expanded from 33 to 39 seats, the new members including a second youth representative and five government officials who will serve in an ex officio capacity. The congress will probably also fill 2-3 vice chairman vacancies. The full complement is six vice chairmen, but the party is now down to just three vice chairmen. Wu said the party is looking for relatively young people to fill these vacancies, and he acknowledged that Taoyuan County Magistrate Eric Chu is a candidate. (Note: Chang Jung-kung told us the party needs some new vice chairmen to fill the many requests from Beijing for senior KMT leaders to attend ceremonial events in China. Chang also said the Congress will not take up suggestions made in the past by some that President Ma should serve concurrently as party chairman. Ma has his hands full with the presidency, Chang explained.) The Congress may also adopt a proposal that would suspend the party rights of those convicted in the first stage of Taiwan's three trial process, though some local politicians object.

Comment  
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19. (C) Although Wu and others recognize that DPP unhappiness with the KMT could lead to more turmoil in the streets, they do not at this point seem to have good ideas on how to

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improve the political atmosphere. DPP dissatisfaction is focused both on the KMT's cross-Strait policy and on their perception that prosecutors are going after DPP politicians selectively and treating them in a humiliating way. Underlying these immediate grievances is the widespread frustration in the opposition camp that their political strength is not reflected in the current legislature, as well as a "hangover" effect from losing power so quickly and completely earlier this year. Today, however, the news is filled with stories about "consumption vouchers" that the government will be distributing to all citizens, and this may provide a temporary respite from the normal focus on partisan disagreements.  
SYOUNG